

Thank you, Mr. Chairman.

Our current economic crisis had many causes, but one factor that we will address in this hearing was the systematic production, marketing, and sales of countless financial products, including mortgages, that were extremely risky or even downright dangerous for borrowers.

For years, bank and non-bank lenders operated with little to no oversight by government regulators.

And when regulation was taking place, there was little focus on whether the financial products and services sold were safe for consumers.

The Federal Trade Commission – here with us today – is essentially the only agency with a mandate to prioritize consumer safety and protect Americans from unfair or deceptive practices.

I commend Chairman Leibowitz for his renewed commitment to consumers’ rights in the areas of credit and debt.

However, the FTC’s jurisdiction is limited to non-bank activities, the agency has been hampered for decades by cumbersome rulemaking authority, and in recent years its actions were limited by the previous Administration’s general contempt for oversight of the private sector.

Overall, current regulations are not sufficient and are not working. We cannot maintain a system which neglects consumer protection for the bulk of the financial services industry.

Americans deserve access to honest information that will help them make educated decisions on mortgages, credit cards, and bank accounts.

Dangerous financial products should be kept off the markets, and advertisers must be held accountable for their claims.

We must move forward with these goals, and I look forward to hearing today’s testimony on how a Consumer Financial Protection Agency might achieve them.

Energy and Commerce Subcommittee on Commerce, Trade, and Consumer Protection Hearing

“The Proposed Consumer Financial Protection Agency:

Implications for Consumers and the FTC”

July 8, 2009

Opening Remarks – Rep. Jan Schakowsky

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